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## Memorandum

TO:

The Honorable Jeff Mayes and Members House Energy and Technology Committee

FROM:

Felicia Wasson

Associate State Director for Government Affairs

DATE:

March 24, 2009

SUBJECT:

Utility shut-off legislation

Thank you for the opportunity to provide comment on the bills that would provide regulation and consumer protection for utility shut offs. On behalf of AARP Michigan's 1.5 million members, we appreciate the hard work of the committee. We are supportive of the majority of the bills in the package and find very consumer friendly protections contained therein. However, there are two bills in the package that cause us great concern.

AARP opposes HB 4390 because it would allow the use of service limiters, even with established rules. We believe that service limiters are not the answer to unaffordable bills and would have a devastating impact on seniors with medical conditions and very young children who are at risk for illness and death without adequate heating and cooling as well as refrigeration for medications. Depending on the technology, the limiter must be manually reset by the customer, or could be reset remotely after the customer calls the utility. An older or disabled person may have difficulty accessing the meter to reset it, especially in the dark or during inclement weather. It can be expected that some households who are behind on their bills may already have disconnected their phone service out of financial necessity.

While service limiters are often used by utilities as a way to limit usage-and thus bills by customers who are behind in payments, the use of service limiters can be the same as disconnection with the same tragic consequences.

AARP opposes HB 4392 because we feel that a senior could be seriously ill or even dead within 3 days of disconnection of service whether in summer or winter. We feel that this legislation is an attempt to prevent tragic deaths; however we feel that the consumer would be better served by a personal visit prior to disconnection with the aim of preventing the disconnection in the first place.

Older Americans are particularly vulnerable to rapid increases in energy prices. Although they consume the same amount of energy as younger people do, older Americans devote a higher percentage of total spending to residential energy costs. AARP believes more should be done to keep energy prices affordable and to identify and assist vulnerable households with energy assistance and weatherization programs. We should turn our attention to solving the conundrum of affordability instead of limiting energy service to the most vulnerable.